

S. MUSSON
ALL JONES
AN L. JUCKETT

November 1, 2013

RECEIVED

NOV 4 2013

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Hyden-Leslie County Water District - Public Service Commission Application for
CPCN and Financing

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Hyden-Leslie County Water District for the issuance of a Certificate of Public Convenience and Necessity to construct a waterworks improvement project and authority to issue securities pursuant to KRS Chapter 278.

Also enclosed are eleven (11) copies of the required exhibits and one (1) copy of the project map.

Plans and Specifications (one (1) paper copy and one (1) electronic copy), as prepared by Sisler-Maggard Engineers, will be submitted by said Engineers under separate cover.

Applicant requests that this matter be expedited due to the instability of the financial markets and the necessity to begin construction as soon as possible.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jlm
Enclosures
cc: Distribution List

SERVICE LIST

**Re: 2013 Hyden-Leslie County Water District PSC Application - Phase II - A
Contracts No. 15 and No. 16.**

Mr. Leihman Howard, Jr., Manager
Hyden-Leslie County Water District
325 Wendover Road
Hyden, Kentucky 41749
hlwater@tds.net

Telephone: (606) 672-2791

Mr. Mike Maggard
Sisler - Maggard Engineering, PLLC
220 East Reynolds Road, Suite A3
Lexington, Kentucky 40517
mike@sislermaggard.com

Telephone: (859) 271-2978
Fax: (859) 271-5670

Ms. Kristen Millard
Raymond James
489 East Main Street
Lexington, Kentucky 40507
kristen.millard@RaymondJames.com

Telephone: (859) 232-8249
Fax: (859) 232-8255

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
wrjones@rubinhays.com

Telephone: (502) 569-7525
Fax: (502) 569-7555

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
NOV 4 2013
PUBLIC SERVICE
COMMISSION

In the matter of:

APPLICATION OF THE HYDEN-LESLIE COUNTY)
WATER DISTRICT FOR (i) AUTHORITY TO)
ISSUE SECURITIES AND (ii) ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE) Case No. 2013 - _____
AND NECESSITY TO CONSTRUCT AN)
IMPROVEMENTS PROJECT PURSUANT)
TO KRS 278.020 AND 278.300)

APPLICATION

The Hyden-Leslie County Water District (the "District"), by counsel, pursuant to KRS 278.020 and 278.300, petitions the Commission for an Order (i) issuing a certificate of public convenience and necessity to construct a waterworks improvement project and (ii) authorizing the issuance of securities. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is 325 Wendover Road, Hyden, Kentucky 41749. Its contact information is Mr. Leihman Howard, Jr., Manager, 325 Wendover Road, Hyden, Kentucky 41749, telephone: (606) 672-2791, fax: (606) 672-7510; email: hlwater@tds.net. Its principal officers are listed in its 2012 Annual Report, which is filed with the Commission;

2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;

3. A description of the District's water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference. All required normal financial schedules and other data are in the Annual Report;

4. The water system improvements project consists of the construction and installation of approximately (i) 282,700 linear feet of waterline and appurtenances; (ii) three booster pump stations; and (iii) two 50,000 gallon ground water storage tanks and appurtenances.

5. The project is in the public interest and is necessary in order to serve approximately 300 households with potable water.

6. The total project cost is approximately \$3,825,000, as set forth in the Final Engineering Cost Budget attached hereto as **Exhibit A**;

7. The District has obtained all easements are required for the Project;

8. This service will not compete with any other utility in the area;

9. Based on these facts, the District believes that it is in the public interest that this certificate of public convenience and necessity be granted;

10. Copies of the certified bid tabulations are attached hereto as **Exhibit B**;

11. The following information is provided in response to 807 KAR 5:001 Section (14);

a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74;

12. The following information is supplied to 807 KAR 5:001 Section (15);

a. Facts relied upon to show that the Project is in the public interest: the project will provide water service to approximately 300 households.

b. No new franchises are required. Copies of the necessary permits are attached hereto as **Exhibit C**;

c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications (one (1) paper copy and one (1) copy in electronic format) which are being filed with the Commission by the Engineers under separate cover;

d. One (1) map of suitable scale showing location of the proposed facilities is filed with this Application and one (1) map in electronic format is being filed by the Engineers;

e. The construction costs will be funded by various Coal Severance Grants (“CSG”) in the aggregate amount of \$1,505,496.76 and a short term loan from the Kentucky Rural Water Finance Corporation (“KRWFC”) in the principal amount of \$2,455,000. Financial details of the KRWFC loan are attached hereto as **Exhibit D**;

f. The estimated cost of operation of the system after construction is completed is attached hereto as **Exhibit E**;

g. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for the years ending December 31, 2012 and 2011 are attached hereto as **Exhibit F**;

13. Pursuant to 807 KAR 5:001, the District hereby responds as follows:

(a) Section 17(1)(b) Bonds: The KRWFC Loan will be secured by a pledge of the revenues of the District's Water System.

(b) Section 17(1)(d): No property is being acquired as the proceeds of the securities.

(c) Section 17(2)(b): The District does not have any mortgages or trust deeds in effect as of the date hereof.

14. In accordance with the Uniform System of Accounts, (i) waterline extensions will be classified “transmission and distribution mains” - 331; (ii) booster pumping stations will be classified “pumping equipment” - 311; and (iii) ground storage tanks will be classified “distribution reservoirs and standpipes” - 330.

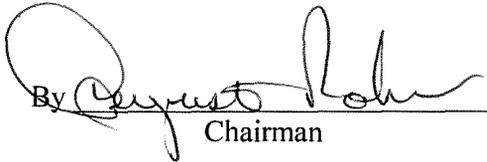
14. The District hereby requests and moves for a deviation from the requirements of 807 KAR 5:001, Section 12, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2012. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2012. This is the most recent published financial data available. Because of the volatility of the bond market and the necessity for commencing construction of the Project in a timely manner, the District cannot run the risk of delaying the closing of the KRWFC Loan and construction of the Project while more current financial data is compiled.

15. No rate adjustment will be necessary.

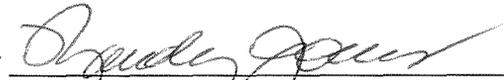
WHEREFORE, the Applicant, Hyden-Leslie County Water District requests that the Public Service Commission of Kentucky takes the following actions;

1. Authorize the issuance of the securities requested in the Application;
2. Grant the District a deviation from 807 KAR 5:001, Section 12 to allow the submission of the District's 2012 Annual Report and 2012 audited financial statements in lieu of more recent financial data as there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2012, and due to the volatility of the present bond market and the necessity of commence with construction of the Project; and
3. Grant the District a Certificate of Public Convenience and Necessity to construct the Project described in the Application.

Hyden-Leslie County Water District

By  _____
Chairman

Rubin & Hays

By  _____
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525
wrjones@rubinhays.com



**HYDEN - LESLIE COUNTY WATER DISTRICT
 PHASE II - A - CONTRACT NO. 15 AND CONTRACT NO. 16
 SME # 07080
 4/30/2013**

Contract	Contractor	Bid Price
Contract No. 15 - Water Lines	Packs, Inc.	\$2,916,353.00
Contract No. 16 - Water tanks	KY Glass Lined	\$348,915.00
Total As -Bid Construction Price		\$3,265,268.00
Other Project Costs		
Engineering	Contingency @ 5%	\$145,732.00
	Legal & Admin	\$25,000.00
	Design @7.10%	\$232,000.00
	Other Engineering Costs	\$30,000.00
	Inspection @3.88%	\$127,000.00
Total Other Costs		\$559,732.00
Total As - Bid Project Costs		\$3,825,000.00

Project Funding		
Coal Severance Grant - Hell for Certain - WX21131007	\$750,000.00	
Coal Severance Grant - Grassy - WX 21131008	\$500,000.00	
Coal Severance Grant - Phase II - WX 21131111	\$255,496.76	
Total Funding		\$1,505,496.76
Current Shortfall		\$2,319,503.24



BID TABULATION
CONTRACT NO. 16 - Water Storage Tanks
HYDEN - LESLIE COUNTY WATER DISTRICT

BID OPENING 12:00 P.M. APRIL 25, 2013

ITEM NO.	ITEM DESCRIPTION	ENGINEERS ESTIMATE				Kentucky Glass Lined Tank Systems, Inc. Kentucky		Welding, Inc. West Virginia		Caldwell Tanks, Inc. Kentucky		American Structures, Inc. Wisconsin	
		UNIT QUANTITY	UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	50,000 Gallon Ground Storage Tank (Grassy) and appurtenances	1	LS	\$225,000.00	\$225,000.00	\$168,902.00	\$168,902.00	\$214,000.00	\$214,000.00	\$235,250.00	\$235,250.00	\$221,453.00	\$221,453.00
2	50,000 Gallon Ground Storage Tank (Hell for Certain) and appurtenances	1	LS	\$225,000.00	\$225,000.00	\$180,013.00	\$180,013.00	\$214,000.00	\$214,000.00	\$252,250.00	\$252,250.00	\$270,665.00	\$270,665.00
TOTAL AMOUNT BID (ITEMS 1-2)													
					\$450,000.00		\$348,915.00		\$428,000.00		\$487,500.00		\$492,118.00

Certification: Sisler-Maggard Engineering, PLLC

We hereby certify that the above bid tabulations accurately represents bids received, except for noted corrections, and the bids were promptly opened and read aloud.

Joseph F. Sisler 6/18/13
 JOSEPH F. SISLER, P.E., P.L.S.

DATE _____

BID TABULATION
CONTRACT NO. 15 - Phase II-A - WATER LINE EXTENSIONS
HYDEN - LESLIE COUNTY WATER DISTRICT

BID OPENING 12:00 P.M. APRIL 25, 2013

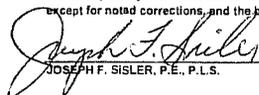
ITEM NO.	ITEM DESCRIPTION	ENGINEERS ESTIMATE				PACK'S, Inc. Morehead, KY		Akins Excavating Company, Inc. Corbin, Ky.		G&W Construction Co., Inc. Morehead, KY	
		UNIT QUANTITY	UNIT	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	4" W.L. C-900	86,000	LF	\$8.50	\$731,000.00	\$8.75	\$752,500.00	\$8.75	\$752,500.00	\$10.90	\$937,400.00
2	4" W.L. CL. 250 PVC	76,000	LF	\$8.00	\$608,000.00	\$7.10	\$539,600.00	\$7.75	\$589,000.00	\$8.90	\$676,400.00
3	3" W.L. CL. 250	46,000	LF	\$7.00	\$322,000.00	\$6.00	\$276,000.00	\$7.00	\$322,000.00	\$7.13	\$327,880.00
4	3" W.L. CL. 200	25,000	LF	\$6.50	\$162,500.00	\$5.80	\$145,000.00	\$6.80	\$170,000.00	\$6.93	\$173,250.00
5	2" W.L. CL. 250 PVC	34,000	LF	\$6.50	\$221,000.00	\$5.40	\$183,600.00	\$6.35	\$215,900.00	\$6.54	\$222,360.00
6	2" W.L. CL. 200 PVC	3,200	LF	\$6.25	\$20,000.00	\$5.25	\$16,800.00	\$6.25	\$20,000.00	\$6.44	\$20,608.00
7	1" W.L. CL. 250 Poly Serv.	5,000	LF	\$6.00	\$30,000.00	\$5.15	\$25,750.00	\$5.50	\$27,500.00	\$5.36	\$26,800.00
8	3/4" W.L. CL. 200 Poly Serv.	7,500	LF	\$8.00	\$60,000.00	\$4.09	\$30,675.00	\$5.25	\$39,375.00	\$4.27	\$32,025.00
9	4" Gate Valve	37	EA	\$550.00	\$20,350.00	\$650.00	\$24,050.00	\$740.00	\$27,380.00	\$770.26	\$28,499.62
10	3" Gate Valve	15	EA	\$500.00	\$7,500.00	\$572.00	\$8,580.00	\$690.00	\$10,350.00	\$715.30	\$10,729.50
11	2" Gate Valve	18	EA	\$4,500.00	\$81,000.00	\$525.00	\$9,450.00	\$545.00	\$9,810.00	\$567.18	\$10,209.24
12	Leak Detection Assembly	12	EA	\$850.00	\$10,200.00	\$1,100.00	\$13,200.00	\$1,050.00	\$12,600.00	\$1,631.63	\$19,581.96
13	Blowoff Valve Assembly	70	EA	\$800.00	\$56,000.00	\$1,100.00	\$77,000.00	\$1,145.00	\$80,150.00	\$1,208.58	\$84,600.60
14	Air Release Valves	20	EA	\$750.00	\$15,000.00	\$875.00	\$13,500.00	\$460.00	\$9,200.00	\$666.72	\$13,334.40
15	Pavement Replacement (HD)(C.R.)	2,500	SY	\$75.00	\$187,500.00	\$45.00	\$112,500.00	\$18.00	\$45,000.00	\$25.00	\$62,500.00
16	Pavement Replacement (LD)(D.W.)	2,500	SY	\$50.00	\$125,000.00	\$40.00	\$100,000.00	\$10.00	\$25,000.00	\$20.00	\$50,000.00
17	Gravel Surface Replacement	8,000	SY	\$15.00	\$120,000.00	\$5.00	\$40,000.00	\$6.00	\$48,000.00	\$5.00	\$40,000.00
18	Concrete Surface Replacement	100	SY	\$50.00	\$5,000.00	\$58.00	\$5,800.00	\$28.00	\$2,800.00	\$60.00	\$6,000.00
19	Concrete Encasement	900	LF	\$4.00	\$3,600.00	\$2.00	\$1,800.00	\$2.00	\$1,800.00	\$2.00	\$1,800.00
20	Large Stream Crossing	800	LF	\$100.00	\$80,000.00	\$67.00	\$53,600.00	\$40.00	\$32,000.00	\$47.59	\$38,072.00
21	Tie new 2" to ex. 3"	1	EA	\$950.00	\$950.00	\$1,500.00	\$1,500.00	\$700.00	\$700.00	\$1,500.00	\$1,500.00
22	Tie new 3" to ex. 3"	1	EA	\$800.00	\$800.00	\$1,500.00	\$1,500.00	\$670.00	\$670.00	\$1,500.00	\$1,500.00
23	Tie new 4" to ex. 4"	2	EA	\$800.00	\$1,600.00	\$2,000.00	\$4,000.00	\$680.00	\$1,360.00	\$1,500.00	\$3,000.00
24	Tie new 2" to ex. 2" w/ wet tap	2	EA	\$900.00	\$1,800.00	\$1,500.00	\$3,000.00	\$1,345.00	\$2,690.00	\$2,242.31	\$4,484.62
25	Tie new 2" to ex. 3" w/ wet tap	1	EA	\$1,500.00	\$1,500.00	\$2,000.00	\$2,000.00	\$1,465.00	\$1,465.00	\$2,034.52	\$2,034.52
26	Tie new 2" to ex. 4" w/ wet tap	2	EA	\$1,000.00	\$2,000.00	\$1,500.00	\$3,000.00	\$1,445.00	\$2,890.00	\$2,034.52	\$4,069.04
27	Tie new 2" to ex. 6" w/ wet tap	3	EA	\$1,050.00	\$3,150.00	\$2,000.00	\$6,000.00	\$1,400.00	\$4,200.00	\$2,415.44	\$7,246.32
28	Tie new 2" to ex. 8" w/ wet tap	1	EA	\$1,200.00	\$1,200.00	\$2,500.00	\$2,500.00	\$1,400.00	\$1,400.00	\$2,800.00	\$2,800.00
29	Tie new 3" to ex. 3" w/ wet tap	3	EA	\$1,000.00	\$3,000.00	\$1,500.00	\$4,500.00	\$2,450.00	\$7,350.00	\$2,034.52	\$6,103.56
30	Tie new 3" to ex. 4" w/ wet tap	1	EA	\$1,100.00	\$1,100.00	\$2,000.00	\$2,000.00	\$2,285.00	\$2,285.00	\$2,034.52	\$2,034.52
31	Tie new 3" to ex. 6" w/ wet tap	3	EA	\$2,500.00	\$7,500.00	\$2,340.00	\$7,020.00	\$2,290.00	\$6,870.00	\$2,346.68	\$7,040.04
32	Tie new 4" to ex. 4" w/ wet tap	4	EA	\$1,500.00	\$6,000.00	\$2,067.00	\$8,268.00	\$2,325.00	\$9,300.00	\$2,067.82	\$8,271.28
33	Tie new 4" to ex. 6" w/ wet tap	1	EA	\$1,600.00	\$1,600.00	\$2,340.00	\$2,340.00	\$2,250.00	\$2,250.00	\$2,396.68	\$2,396.68
34	5/8"x3/4" Meter Assembly	48	EA	\$800.00	\$38,400.00	\$552.00	\$26,496.00	\$475.00	\$22,800.00	\$540.57	\$25,952.16
35	5/8"x3/4" Meter Assembly (W/ PRV)	159	EA	\$900.00	\$143,100.00	\$655.00	\$104,304.00	\$600.00	\$95,400.00	\$685.12	\$108,934.08
36	Bore and Jack w/ 4" WL. & 8" Steel Casing	360	LF	\$100.00	\$36,000.00	\$78.00	\$28,080.00	\$115.00	\$41,400.00	\$100.00	\$36,000.00
37	Bore and Jack w/ 3" WL. & 6" Steel Casing	80	LF	\$100.00	\$8,000.00	\$70.00	\$5,600.00	\$110.00	\$8,800.00	\$100.00	\$8,000.00
38	Bore and Jack w/ 2" WL. & 4" Steel Casing	180	LF	\$100.00	\$18,000.00	\$65.00	\$11,700.00	\$105.00	\$18,900.00	\$100.00	\$18,000.00
39	Flush Hydrant	1	EA	\$2,500.00	\$2,500.00	\$2,700.00	\$2,700.00	\$1,200.00	\$1,200.00	\$2,784.09	\$2,784.09
40	Pump Station (Hell For Certain)	1	EA	\$60,000.00	\$60,000.00	\$49,000.00	\$49,000.00	\$83,000.00	\$83,000.00	\$70,000.00	\$70,000.00
41	Pump Station (Grassy)	1	EA	\$60,000.00	\$60,000.00	\$54,020.00	\$54,020.00	\$83,000.00	\$83,000.00	\$70,000.00	\$70,000.00
42	Pump Station (S R. 1780)	1	EA	\$60,000.00	\$60,000.00	\$54,000.00	\$54,000.00	\$83,000.00	\$83,000.00	\$70,000.00	\$70,000.00
43	Fiberglass Markers	150	EA	\$3.50	\$525.00	\$4.00	\$600.00	\$5.00	\$750.00	\$75.00	\$11,250.00
44	Monitoring Telemetry w/ antenna at Pump Station	3	EA	\$10,000.00	\$30,000.00	\$25,600.00	\$76,800.00	\$38,000.00	\$114,000.00	\$25,000.00	\$75,000.00
45	Horizontal Directional Drilling 4" HDPE (DR11) (DIPS)	160	LF	\$20.00	\$3,600.00	\$69.00	\$11,220.00	\$70.00	\$11,200.00	\$96.49	\$17,368.20
TOTAL AMOUNT BID (ITEMS 1-45)					\$3,374,375.00		\$2,918,353.00		\$3,079,595.00		\$3,356,119.43

High lighted number was extended incorrectly
Therefore column total was incorrect

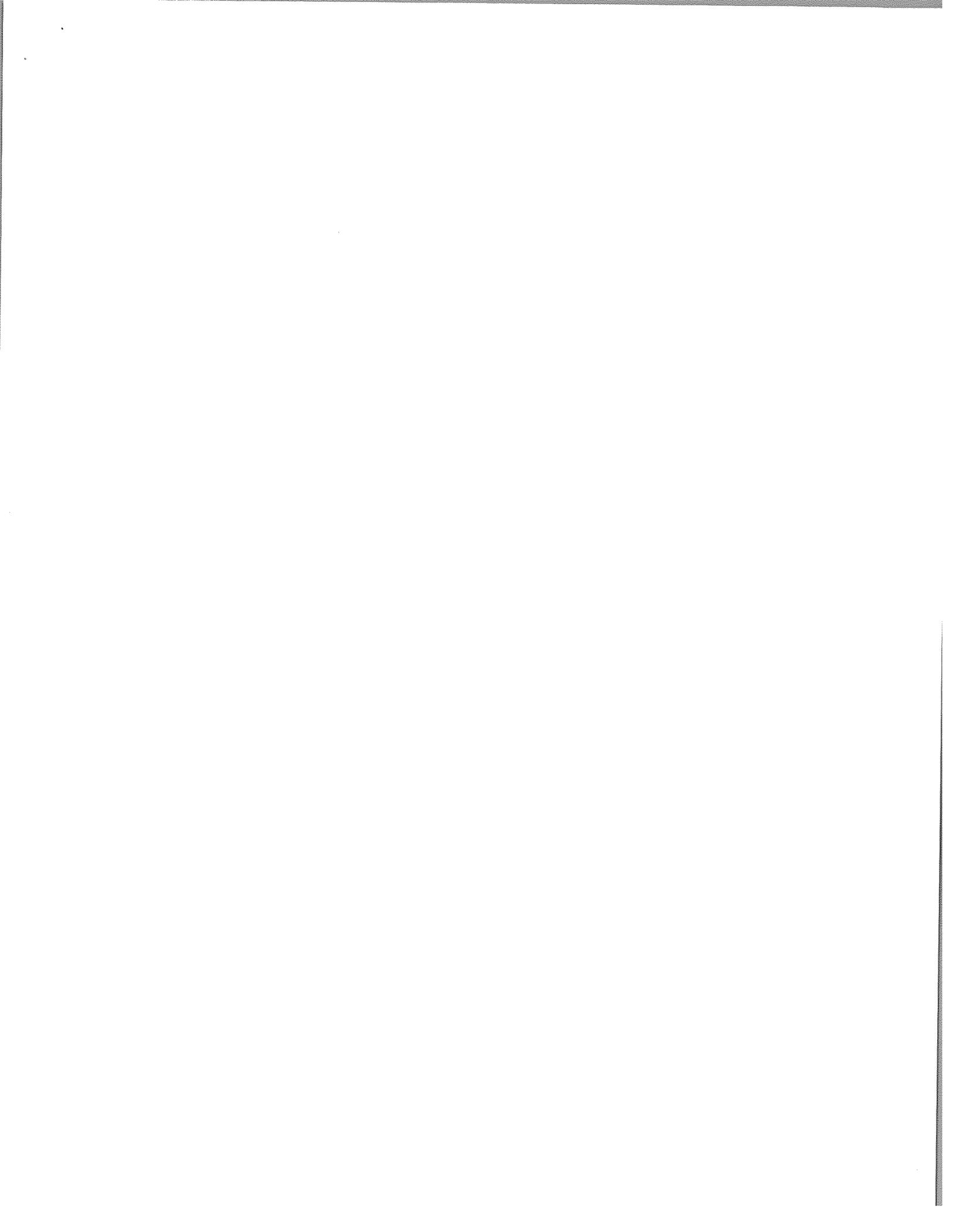
Un-corrected bid total was \$2,913,753.00

Certification: Sisler-Maggard Engineering, PLLC

We hereby certify that the above bid tabulations accurately represents bids received,
except for noted corrections, and the bids were promptly opened and read aloud.


JOSEPH F. SISLER, P.E., P.L.S.

6/18/13
DATE



STEVEN L. BESHEAR
GOVERNOR



LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

September 25, 2013

Mr. Leihman Howard
Hyden Leslie Co Water District
P. O. Box 906
Hyden, KY 41749

RE: Hyden Leslie Co Water District
AI # 2649, APE20130002
PWSID #0660204-13-002
Cont# 15 II A-Waterline Ext, - Cont# 16
Water Storage Tanks
Leslie County, KY

Dear Mr. Howard:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately:

- 160,000 feet of 4-inch PVC water lines
- 67,000 feet of 3-inch PVC water lines
- 35,000 feet of 2-inch PVC water lines
- Hell for Certain BPS with 2 pumps at 75 gpm with 274 feet TDH
- Grassy Creek BPS with 2 pumps at 57 gpm with 479 feet TDH
- SR 1780 BPS with 2 pumps at 50 gpm with 553 feet TDH
- Hell for Certain 50,000 gallons Ground Storage Tank
- Grassy Creek 50,000 gallons Ground Storage Tank

This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

For the purpose of review, DOW will not approve lines less than 3-inches for distribution. When 2-inch lines are proposed for distribution they are approved on a case-by-case basis with the stipulation that such lines can not be extended. In areas where lines may be extended in the future, DOW reserves the right to approve 3-inch water lines as a minimum diameter.

Hyden Leslie Co Water District
AI # 2649, APE20130002
PWSID #0660204-13-002
Cont# 15 II A-Waterline Ext, - Cont# 16 Water Storage Tanks
Leslie County, KY
September 25, 2013
Page 2 of 2

If you have any questions concerning this project, please contact Mr. Mohammed Mohiuddin at 502-564-8158 extension 4827.

Sincerely,



Mark Rasche, P.E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

MR: MM

Enclosures

C: Sisler Maggard Engineering
Leslie County Health Department
Public Service Commission (by e-mail only)
Division of Plumbing (by e-mail only)

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 1 of 23

GACT0000000015 (Cont#15 Ph IIA- W Lines Ext, Cont# 16 -Water Tanks) 160,000 feet of 4-inch PVC; 67,000 feet of 3-inch PVC; 35,00 feet of 2-inch PVC Waterlines, Hell for Certain BPS with 2 pumps at 75 gpm with 274 feet TDH, Grassy Creek BPS with 2 pumps at 57 gpm with 479 feet TDH, SR 1780 BPS with 2 pumps at 50 gpm with 553 feet TDH, Hell for Certain 50,000 gallons Ground Storage Tank and Grassy Creek 50,000 gallons Ground Storage Tank:

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new storage structure(s). With at least 1 sample taken at least 24 hours after the first construction complete sample(s), take 2 or more samples from the yard hydrant, the outlet piping from the storage structure, or a sample tap directly connected to the storage structure. Sample bottles shall be clearly identified as "special" construction tests. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:150 Section 4] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-3	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required in association with the pump(s). Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

GACT000000015 (continued):

Narrative Requirements:

Condition No.	Condition
T-2	This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]
T-3	Unless construction of this project is begun within 2 years from the issuance date of this permit, the permit shall expire. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Engineering Section at 502/564-3410. [401 KAR 8:100 Section 1(9)]
T-4	Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)]
T-5	During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 5 of 23

GTSP0000000002 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	Pumping stations shall not be subject to flooding. To this end, 1) grading around stations shall lead surface drainage away and 2) stations shall be elevated or protected to a Height \geq 3 ft above the highest of the following: a) the 100-year flood elevation, or b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-7	Height	When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height \leq 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]
T-2	Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]
T-3	Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]
T-4	Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.h]

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 7 of 23

GTSP000000002 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 9 of 23

GTSP0000000002 (continued):

Narrative Requirements:

Additional Limitations:

Condition

No. Condition

- T-29 Additional Limitations:
Piping for pumps shall, in general,
- 1) be designed so that the friction losses will be minimized,
 - 2) not be subject to contamination,
 - 3) have watertight joints,
 - 4) be protected against surge or water hammer,
 - 5) be provided with restraints where necessary, and
 - 6) a) be such that each pump has an individual suction line or
b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

- T-30 Additional Limitations:
To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be
- a) from at least 2 independent sources or
 - b) from a primary source with a standby or auxiliary source provided.
- If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination.
[Recommended Standards for Water Works 6.6.6]

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 11 of 23

GTSP000000003 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	Tanks shall have manholes that are a) framed a Height ≥ 4 in above the surface of the roof at the opening and b) fitted with a solid watertight cover which overlaps the framed opening and extends down around the frame at least 2 inches. Manholes should be hinged at one side and shall have a locking device. [Recommended Standards for Water Works 7.0.8] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: The materials and designs used for storage structures shall provide stability and durability as well as protection for the quality of the stored water. Steel structures shall follow the AWWA standards wherever they are applicable. Other materials of construction are acceptable when properly designed to meet the requirements in this permit. [Recommended Standards for Water Works 7.0]
T-2	Additional Limitations: The safety of employees must be considered in the design of any storage structure. The design of storage structures shall a) meet or exceed the minimum requirements of pertinent safety laws and regulations in the areas where the structures are constructed, b) include ladders, ladder guards and balcony railings (where applicable), c) locate entrance hatches in safe places, and d) consider confined space entry requirements. [Recommended Standards for Water Works 7.0.12]
T-3	Additional Limitations: Storage structures shall be designed with reasonably convenient access to the interior for cleaning and maintenance. Where space permits, at least 2 manholes shall be provided above the waterline at each water compartment. [Recommended Standards for Water Works 7.0.8]

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 13 of 23

GTSP0000000003 (continued):

Narrative Requirements:

Additional Limitations:

Condition

No. Condition

- | | |
|------|---|
| T-11 | <p>Additional Limitations:
No drain on a storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]</p> |
| T-12 | <p>Additional Limitations:
Main drains from storage structures shall have a twenty-four mesh noncorrodible screen installed within the drain pipe at a location least susceptible to damage by vandalism. [401 KAR 8:100 Section 1(7)]</p> |
| T-13 | <p>Additional Limitations:
Storage structures shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]</p> |
| T-14 | <p>Additional Limitations:
Ground level storage tanks and standpipes shall be equipped with separate inlet/outlet pipes installed on opposite sides of the tank. A check valve shall be installed in the outlet pipe to insure turnover of the water. The inlet pipe</p> <ul style="list-style-type: none">a) shall be installed near the overflow elevation andb) shall not interfere with the overflow discharge. [401 KAR 8:100 Section 1(7)] |
| T-15 | <p>Additional Limitations:
Storage structures shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. Additionally, if fire protection is provided, capacity shall also be sufficient to meet fire flow demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]</p> |
| T-16 | <p>Additional Limitations:
The bottom of the structure shall be above</p> <ul style="list-style-type: none">a) the maximum flood level andb) the groundwater level. [Recommended Standards for Water Works 7.0.2] |
| T-17 | <p>Additional Limitations:
Storage structure discharge pipes shall be located in a manner that will prevent the flow of sediment into the distribution system. Additionally, removable silt stops should be provided. [Recommended Standards for Water Works 7.0.15]</p> |

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

GTSP0000000003 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: If cathodic protection is utilized,</p> <ul style="list-style-type: none">a) competent technical personnel should design and install the protection andb) a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]
T-25	<p>Additional Limitations: If the interior of the storage structure is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]</p>
T-26	<p>Additional Limitations: Paints and coatings</p> <ul style="list-style-type: none">a) shall meet NSF standard 61,b) shall be acceptable to the Division of Water,c) shall be properly applied and cured, andd) shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing). <p>Wax coatings shall not be used in any storage structure and must be completely removed before using other paints or coatings in an existing storage structure. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.17]</p>

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

GTSP0000000003 (continued):

Narrative Requirements:

Condition

No. Condition

T-30

If applicable, chlorination method 3 generally requires

- a) filling a storage structure to approximately 5% of the total storage volume with water having an available chlorine concentration of 50 ppm,
- b) continued filling of the storage structure to the overflow level with normal potable water, and
- c) purging the storage structure so that various disinfection by-products do not reach water consumers. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:100 Section 1(7)]

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 19 of 23

PORT000000022 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-8	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none">1) water lines shall be laid such that eithera) the the top of the water line is a vertical Distance ≥ 18 in below the bottom of the sewer line orb) the bottom of the water line is a vertical Distance ≥ 18 in above the top of the sewer line,2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-9	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance ≥ 1.0 ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-10	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure ≥ 20 psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-11	Pressure	<p>Pressure ≥ 30 psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>
L-12	Residual Disinfection	<p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform. If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

Page 21 of 23

PORT000000022 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-2	<p>Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]</p>
T-3	<p>Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]</p>
T-4	<p>Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]</p>
T-5	<p>Additional Limitations: All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]</p>
T-6	<p>Additional Limitations: A flush hydrant or blow-off shall be required at the end of each dead end line. [Recommended Standards for Water Works 8.1.6]</p>
T-7	<p>Additional Limitations: For each flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]</p>
T-8	<p>Additional Limitations: No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3]</p>
T-9	<p>Additional Limitations: If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]</p>

Distribution-Major Construction

Hyden Leslie Co Water District
Facility Requirements

Activity ID No.: APE20130002

PORT0000000022 (continued):

Narrative Requirements:

Subfluvial Pipe Crossings:

Condition

No. Condition

T-13

Subfluvial Pipe Crossings:

For subfluvial pipe crossings greater than 15 feet in width,

- 1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and
- 2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair.

Valves shall

- a) be easily accessible,
- b) not be subject to flooding, and
- c) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]

Preliminary

\$2,455,000

Hyden-Leslie Water District
Potential Note through the
Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 12/15/2013 | Delivered 12/15/2013

Sources Of Funds

Par Amount of Bonds	\$2,455,000.00
Reoffering Premium	50,744.85
Total Sources	\$2,505,744.85

Uses Of Funds

Total Underwriter's Discount (0.750%)	18,412.50
Costs of Issuance	41,825.00
Deposit to Capitalized Interest (CIF) Fund	125,368.67
Deposit to Project Construction Fund	2,320,000.00
Rounding Amount	138.68
Total Uses	\$2,505,744.85

Preliminary

\$2,455,000

Hyden-Leslie Water District
Potential Note through the
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/15/2013	-	-	-	-	-
08/01/2014	-	-	36,988.67	36,988.67	-
12/31/2014	-	-	-	-	36,988.67
02/01/2015	-	-	29,460.00	29,460.00	-
08/01/2015	-	-	29,460.00	29,460.00	-
12/31/2015	-	-	-	-	58,920.00
02/01/2016	2,455,000.00	2.400%	29,460.00	2,484,460.00	-
12/31/2016	-	-	-	-	2,484,460.00
Total	\$2,455,000.00	-	\$125,368.67	\$2,580,368.67	-

Yield Statistics

Bond Year Dollars	\$5,223.69
Average Life	2.128 Years
Average Coupon	2.4000001%
Net Interest Cost (NIC)	1.7810445%
True Interest Cost (TIC)	1.7658090%
Bond Yield for Arbitrage Purposes	1.4098578%
All Inclusive Cost (AIC)	2.6127777%

IRS Form 8038

Net Interest Cost	1.3996336%
Weighted Average Maturity	2.128 Years

Raymond James

Public Finance

Preliminary

\$2,455,000

Hyden-Leslie Water District
Potential Note through the
Kentucky Rural Water Finance Corporation

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	CIF	Net New D/S
12/31/2013	-	-	-	-	-	-	-
12/31/2014	-	-	36,988.67	36,988.67	450.00	(36,988.67)	450.00
12/31/2015	-	-	58,920.00	58,920.00	450.00	(58,920.00)	450.00
12/31/2016	2,455,000.00	2.400%	29,460.00	2,484,460.00	450.00	(29,460.00)	2,455,450.00
Total	\$2,455,000.00	-	\$125,368.67	\$2,580,368.67	\$1,350.00	(125,368.67)	\$2,456,350.00

Preliminary

\$2,455,000

Hyden-Leslie Water District
Potential Note through the
Kentucky Rural Water Finance Corporation

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2016	Term 1 Coupon	2.400%	1.410%	2,455,000.00	102.067%	2,505,744.85
Total	-	-	-	\$2,455,000.00	-	\$2,505,744.85

Bid Information

Par Amount of Bonds	\$2,455,000.00
Reoffering Premium or (Discount)	50,744.85
Gross Production	\$2,505,744.85
Total Underwriter's Discount (0.750%)	\$(18,412.50)
Bid (101.317%)	2,487,332.35
Total Purchase Price	\$2,487,332.35
Bond Year Dollars	\$5,223.69
Average Life	2.128 Years
Average Coupon	2.4000001%
Net Interest Cost (NIC)	1.7810445%
True Interest Cost (TIC)	1.7658090%



**Hyden-Leslie County Water District
2014 Operation and Maintenance Budget**

	Monthly-AVG	2014	2013	Change
WATER OPERATING REVENUES				
Metered Sales Residential	* \$103,695.00	\$1,244,340.00	\$1,238,364.00	\$5,976.00
Metered Sales Commercial	* \$21,207.00	\$254,484.00	\$261,780.00	(\$7,296.00)
TOTAL OPERATING REVENUES	\$124,902.00	\$1,498,824.00	\$1,500,144.00	(\$1,320.00)
 WATER OPERATING EXPENSES				
Personnel				
Salaries & Wages	\$27,641.00	\$331,692.00	\$326,772.00	\$4,920.00
Over Time Wages	\$2,869.00	\$34,428.00	\$28,584.00	\$5,844.00
Payroll Taxes	\$2,335.00	\$28,020.00	\$27,204.00	\$816.00
401(k) Contribution	\$1,576.00	\$18,912.00	\$18,384.00	\$528.00
Employee Health Insurance	\$13,885.00	\$166,620.00	\$166,620.00	\$-
Uniform Expense	\$325.00	\$3,900.00	\$3,900.00	\$-
Total Personnel	\$48,631.00	\$583,572.00	\$571,464.00	\$12,108.00
 Plant Operations				
Utilities	* \$17,400.00	\$208,800.00	\$186,000.00	\$22,800.00
Chemicals	\$5,400.00	\$64,800.00	\$54,000.00	\$10,800.00
Plant / Repairs & Maintenance	\$355.00	\$4,260.00	\$4,260.00	\$-
Operating Supplies	\$-	\$-	\$-	\$-
Small Tools	\$50.00	\$600.00	\$600.00	\$-
Purchased Water	\$-	\$-	\$8,400.00	(\$8,400.00)
Water Withdrawal Fee	\$750.00	\$9,000.00	\$8,400.00	\$600.00
Back-up Generator Fuel & Maint.	\$275.00	\$3,300.00	\$1,200.00	\$2,100.00
Total Plant	\$24,230.00	\$290,760.00	\$262,860.00	\$27,900.00
 Field Operations				
Field / Repair & Maintenance	\$3,800.00	\$45,600.00	\$45,600.00	\$-
Vehicle / Repair & Maintenance	\$750.00	\$9,000.00	\$9,000.00	\$-
Gas & Diesel	\$1,500.00	\$18,000.00	\$18,000.00	\$-
Total Field Operations	\$6,050.00	\$72,600.00	\$72,600.00	\$-

	Monthly-AVG	2014	2013	Change
Contractual Services				
Legal & Accounting	\$850.00	\$10,200.00	\$12,000.00	(\$1,800.00)
Meter Testing	\$-	\$-	\$-	\$-
Meter Repair	\$-	\$-	\$-	\$-
Water Analysis	\$850.00	\$10,200.00	\$10,200.00	\$-
Engineering Fees	\$-	\$-	\$-	\$-
Electrical Maintenance	\$125.00	\$1,500.00	\$1,500.00	\$-
Communication Maintenance	\$90.00	\$1,080.00	\$1,080.00	\$-
Cleaning Supply Service	\$-	\$-	\$-	\$-
Total Contractual Services	\$1,915.00	\$22,980.00	\$24,780.00	(\$1,800.00)
Office Expenses				
Postage	\$1,275.00	\$15,300.00	\$13,440.00	\$1,860.00
Office Supplies	\$480.00	\$5,760.00	\$5,400.00	\$360.00
Telephone Expenses	\$500.00	\$6,000.00	\$5,700.00	\$300.00
Sanitation Pick Up Services	\$115.00	\$1,380.00	\$1,380.00	\$-
Other Office Expenses	\$-	\$-	\$-	\$-
Computer Repair & Maintenance	\$170.00	\$2,040.00	\$1,200.00	\$840.00
Hyden Waste Water	\$15.00	\$180.00	\$180.00	\$-
Total Office Expenses	\$2,555.00	\$30,660.00	\$27,300.00	\$3,360.00
Administrative				
PSC Assessment	\$250.00	\$3,000.00	\$2,700.00	\$300.00
Insurance General	\$4,000.00	\$48,000.00	\$32,400.00	\$15,600.00
Bad Debts	\$900.00	\$10,800.00	\$10,800.00	\$-
Board Fees	\$375.00	\$4,500.00	\$4,500.00	\$-
Fees & Dues	\$200.00	\$2,400.00	\$1,800.00	\$600.00
Publication Expenses	\$175.00	\$2,100.00	\$2,100.00	\$-
Training Expenses	\$350.00	\$4,200.00	\$4,200.00	\$-
Other Administrative Expenses	\$75.00	\$900.00	\$900.00	\$-
Total Administrative	\$6,325.00	\$75,900.00	\$59,400.00	\$16,500.00
Interest & Depreciation Expenses				
Interest Expense EDA	\$-	\$-	\$-	\$-
Interest Expense FmHA (1989)	\$1,354.00	\$16,248.00	\$17,280.00	(\$1,032.00)
Interest Expense KIA (1991)	\$373.00	\$4,476.00	\$8,256.00	(\$3,780.00)
Service Fee KIA	\$25.00	\$300.00	\$552.00	(\$252.00)
Interest Expense RD (2000)	\$981.00	\$11,772.00	\$12,048.00	(\$276.00)
Interest Exp. RD Series A (2012)	\$3,388.00	\$40,656.00	\$41,028.00	(\$372.00)
Interest Exp. RD Series B (2012)	\$3,621.07	\$43,452.84	\$44,016.00	(\$563.16)
Depreciation Expense	\$53,000.00	\$636,000.00	\$636,000.00	\$-
Total Interest & Depreciation	\$62,742.07	\$752,904.84	\$759,180.00	(\$6,275.16)

	Monthly-AVG	2014	2013	Change
TOTAL OPERATING EXPENSES	\$152,448.07	\$1,829,376.84	\$1,777,584.00	\$51,792.84
OTHER INCOME				
Service Charges	\$500.00	\$6,000.00	\$6,000.00	\$-
Late Payment Penalties	\$3,400.00	\$40,800.00	\$40,800.00	\$-
Miscellaneous Revenues	\$100.00	\$1,200.00	\$1,200.00	\$-
Interest Income	\$1,200.00	\$14,400.00	\$38,400.00	(\$24,000.00)
Total Other Income	\$5,200.00	\$62,400.00	\$86,400.00	(\$24,000.00)
NET INCOME PROVIDED BY OPERATIONS	(\$22,346.07)	(\$268,152.84)	(\$191,040.00)	(\$77,112.84)
USE OF FUNDS				
Rev.Bonds Payable EDA "68"	\$-	\$-	\$-	\$-
Rev.Bonds Payable FmHA "89"	\$2,500.00	\$30,000.00	\$33,504.00	(\$3,504.00)
Rev.Bonds Payable KIA "91"	\$10,578.00	\$126,936.00	\$123,204.00	\$3,732.00
Rev.Bonds Payable RD "00"	\$448.00	\$5,376.00	\$5,004.00	\$372.00
Rev.Bonds Payable RD "12" A	\$983.00	\$11,796.00		\$11,796.00
Rev.Bonds Payable RD "12" B	\$2,733.00	\$32,796.00		\$32,796.00
TOTAL USE OF FUNDS	\$17,242.00	\$206,904.00	\$161,712.00	\$45,192.00
ADD BACK DEPRECIATION NOT REQUIRING CASH PAYMENT	\$53,000.00	\$636,000.00	\$636,000.00	\$-
INCREASE / (DECREASE) IN WORKING CAPITAL	\$13,411.93	\$160,943.16	\$283,248.00	(\$122,304.84)



Hyden-Leslie County Water District
 Statements of Net Position
 December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 952,535	\$ 790,864
Investments	1,340,660	1,299,643
Receivables, less allowance for doubtful accounts of \$5,000	183,803	180,975
Unbilled accounts receivable	33,000	33,000
Grant receivables	65,238	628,836
Inventories	35,412	25,092
Other current assets	10,168	8,446
Total Current Assets	<u>2,620,816</u>	<u>2,966,856</u>
Noncurrent Assets		
Restricted Assets		
Customer deposits	82,348	80,089
Depreciation reserves	296,880	296,880
Debt and interest funds	153,297	149,825
Total Restricted Assets	<u>532,525</u>	<u>526,794</u>
Capital Assets		
Land and improvements	32,169	32,169
Buildings and improvements	5,177,362	1,759,544
Source of supply and pumping	1,910,815	772,440
Water treatment equipment	3,646,871	364,494
Transmission and distribution plant	12,991,052	12,169,503
Vehicles and other equipment	892,232	825,571
Construction in progress	2,745,885	11,016,319
Less: accumulated depreciation	<u>(5,347,926)</u>	<u>(6,209,005)</u>
Net Capital Assets	<u>22,048,460</u>	<u>20,731,036</u>
Total Noncurrent Assets	<u>22,580,985</u>	<u>21,257,830</u>
Total Assets	<u>25,201,801</u>	<u>24,224,686</u>
Deferred Outflows of Resources		
Prepaid expenses	<u>17,918</u>	<u>16,989</u>
Total Deferred Outflows of Resources	<u>17,918</u>	<u>16,989</u>

See accompanying notes to financial statements.

Hyden-Leslie County Water District
 Statements of Net Position (Continued)
 December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 160,766	\$ 650,947
Accrued interest payable	9,856	38,546
Current portion of long-term debt	151,897	146,092
Other current liabilities	<u>11,801</u>	<u>11,786</u>
Total Current Liabilities	<u>334,320</u>	<u>847,371</u>
Noncurrent Liabilities		
Customer deposits	38,029	35,769
Expansion deposits	44,319	44,320
Compensated absences	35,818	47,606
Long-term debt, less current portion included in current liabilities	<u>4,049,746</u>	<u>4,154,643</u>
Total Noncurrent Liabilities	<u>4,167,912</u>	<u>4,282,338</u>
Total Liabilities	<u>4,502,232</u>	<u>5,129,709</u>
Net Position		
Net investment in capital assets	17,846,817	16,430,301
Restricted	532,525	526,794
Unrestricted	<u>2,338,145</u>	<u>2,154,871</u>
Total Net Position	<u>\$ 20,717,487</u>	<u>\$ 19,111,966</u>

See accompanying notes to financial statements.

Hyden-Leslie County Water District
 Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Water sales	\$ 1,457,234	\$ 1,460,618
Service charges	4,179	5,972
Tap fees	95,100	83,400
Penalties	42,794	42,508
Other revenues	<u>1,516</u>	<u>1,712</u>
Total Operating Revenues	<u>1,600,823</u>	<u>1,594,210</u>
Operating Expenses		
Salaries and wages	391,575	384,719
Employee benefits	213,956	197,834
Purchased water	17,471	14,615
Utilities	189,277	162,960
Chemicals	77,149	65,449
Materials and supplies	56,150	69,510
Contracted services	25,245	22,477
Vehicle and equipment expenses	28,652	28,947
Insurance	34,941	33,355
Bad debt expense, net of recoveries	10,881	14,209
Depreciation	445,961	448,571
Other operating expenses	<u>50,945</u>	<u>42,172</u>
Total Operating Expenses	<u>1,542,203</u>	<u>1,484,818</u>
Operating Income	<u>58,620</u>	<u>109,392</u>
Non-operating Revenues (Expenses)		
Interest income	43,564	27,020
Grant revenue	2,166,653	3,113,530
Loss on disposal of assets	(533,818)	-
Interest expense	<u>(129,498)</u>	<u>(61,696)</u>
Total Non-operating Revenues (Expenses)	<u>1,546,901</u>	<u>3,078,854</u>
Change in Net Position	1,605,521	3,188,246
Net Position, Beginning of Year	<u>19,111,966</u>	<u>15,923,720</u>
Net Position, End of Year	<u>\$ 20,717,487</u>	<u>\$ 19,111,966</u>

See accompanying notes to financial statements.

Hyden-Leslie County Water District
 Statements of Cash Flows
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,596,479	\$ 1,590,633
Receipts from other activities	1,516	1,712
Payments to employees	(403,363)	(396,507)
Payments to suppliers	(644,355)	(685,114)
Payments for other activities	<u>(50,945)</u>	<u>(42,172)</u>
Net Cash Provided by Operating Activities	<u>499,332</u>	<u>468,552</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of property, plant and equipment	(2,807,448)	(7,133,370)
Principal payments on debt	(159,092)	(142,392)
Interest payments on debt	(158,188)	(59,836)
Proceeds from debt	60,000	2,990,000
Grants	<u>2,730,251</u>	<u>3,191,973</u>
Net Cash Used by Capital and Related Financing Activities	<u>(334,477)</u>	<u>(1,153,625)</u>
Cash Flows From Investing Activities		
Purchases of investments	(41,017)	(24,997)
Interest on investments	<u>43,564</u>	<u>27,020</u>
Net Cash Provided by Investing Activities	<u>2,547</u>	<u>2,023</u>
Net Increase (Decrease) in Cash and Cash Equivalents	167,402	(683,050)
Cash and Cash Equivalents at Beginning of Year	<u>1,317,658</u>	<u>2,000,708</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,485,060</u></u>	<u><u>\$ 1,317,658</u></u>
Reconciliation of cash per Statements of Net Position to cash per Statements of Cash Flows:		
Cash and cash equivalents	\$ 952,535	\$ 790,865
Customer deposits	82,348	80,088
Depreciation reserves	296,880	296,880
Debt and interest funds	<u>153,297</u>	<u>149,825</u>
Cash and equivalents per Statements of Cash Flows	<u><u>\$ 1,485,060</u></u>	<u><u>\$ 1,317,658</u></u>

See accompanying notes to financial statements.

Hyden-Leslie County Water District
 Statements of Cash Flows (Continued)
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating income	\$ 58,619	\$ 109,392
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	445,961	448,571
(Increase) Decrease in operating assets		
Accounts receivable	(2,828)	(3,985)
Inventory	(10,320)	5,639
Other current assets and prepaid expenses	(2,651)	(849)
Increase (Decrease) in operating liabilities		
Accounts payable	20,064	(80,548)
Accrued expenses and other liabilities	(9,513)	(9,668)
Net Cash Provided by Operating Activities	<u>\$ 499,332</u>	<u>\$ 468,552</u>

See accompanying notes to financial statements.